

for the administration of reserves made for Natives within the confiscated territory. The reserves were to be managed under this Act, and no alienable reserves were to be alienated except through the Public Trustee, with a view to the benefit of the Natives and the promotion of settlement. Section 8 says, "It shall be the duty of such Trustee, so far as conveniently may be, in the exercise of the powers given him under this Act, to consult and obtain the assistance of some Native or Natives who shall be best acquainted with the circumstances of any reserve which is being dealt with, and to act, as far as possible, in accordance with the wishes of the Natives interested in such reserve." Section 11 defines the powers of the Trustee to lease for agricultural purposes not exceeding twenty-one years, and for building purposes not exceeding forty-two years. Further, it enacts that no person may hold of suburban land more than 40 acres, and of rural land more than 640 acres. Every lease was to be disposed of by public tender, and the rent was to be the best improved rent obtainable at the time.

The next stage in the legislation was the regulations dated 13th February, 1883. These were made in pursuance and exercise of the power conferred upon the Governor by the Act just referred to. They provide how the first leases are to be disposed of; the limits of area for each lessee; as to preparation, cost, execution, and registration of leases; as to term, payment of rent and taxes; as to transfers, subleases, and sales by mortgagees, &c.; as to surrenders; as to taking for public purposes or resumption of lands leased; as to occupation and improvements; as to arbitration, and miscellaneous. Then follows the schedules to the regulations, which include in the Fourth Schedule the memorandum of lease. Your Commissioners desire to draw special attention to the following words in the memorandum of lease, inasmuch as these words should have called the attention of a fairly careful man to the contract into which he was entering, and must at least have required him to look at the regulations. The words referred to are contained in the last paragraph of page 13 of the regulations, beginning on the sixth line from the bottom. They are as follows: "Which shall be deemed to be substantial improvements *under the regulations* made under the said Act." The lessee then, having been put on his inquiry, could not have missed seeing Regulation 30, as follows: "Improvements to be suitable to and consistent with the extent and character of the holdings, and none shall be allowed for in any valuation in excess of five pounds for every acre of rural land, or ten pounds for every acre of suburban land."

We next come to the West Coast Settlement Reserves Act 1881 Amendment Act, 1883, passed on the 8th September. This Act (section 8) extended the leases to thirty years, and empowered the Governor to grant compensation for improvements. It must be noticed that no such power had formerly been authorized, although included in the regulations of the 13th February, 1883. Surely such a regulation was *ultra vires*. The lessees now knew that they had their leases extended for thirty years, and must also have known that they had compensation for improvements up to £5 per acre.

The West Coast Settlement Reserves Act 1881 Amendment Act, 1884, may be passed over as having no bearing on the inquiry to be made by the Commission.

In 1887 a reduction of rent was made under the authority of an Order in Council which was gazetted on the 25th October, 1887 (*New Zealand Gazette*, 1887, page 1368). The interest on rent in arrear was reduced from 15 per cent. to 5 per cent. This Order in Council was not validated until the Act of 1892. So far as the evidence shows, not one of the lessees failed to make the necessary statutory declaration in order to get a reduction in rent.

We now come to the West Coast Settlement Reserves Act, 1892. This Act repeals the Act of 1881 of the same name and its amendments of 1884, 1885, and 1887. Under section 6 of this Act the Public Trustee was empowered to grant perpetual leases of vacant reserves, and section 7 validated leases heretofore granted by the Public Trustee (other than those granted pursuant to awards), and all reductions of rent heretofore made by the Public Trustee. By section 8 lessees under lease granted by the Public Trustee (other than those granted pursuant to awards) and under confirmed leases could obtain new leases in lieu thereof, subject to conditions. The lessee was, within twelve months from the 1st November, 1892, to surrender his lease, and to notify the Public Trustee that he desired to obtain